

MOTION BY SUPERVISOR DON KNABE

June 14, 2016

**Purchase and Redevelopment of the San Pedro Courthouse Property**

Since the opening of San Pedro Courthouse in 1969, it had served as an anchor for local business and residential activity for the San Pedro community. In June 2013, the San Pedro Courthouse was one of seven courthouses in Los Angeles County closed by the State due to budget issues. The closure has left a void that needs to be filled quickly in order to avoid blight in the San Pedro community.

AB 1900 (Jones-Sawyer & O'Donnell), an urgency statute, was introduced in the State Assembly on February 11, 2016, to declare the San Pedro Courthouse property available for disposal and sale. The proposed legislation gives the County, as part (4.85%) owner of the San Pedro Courthouse, the right to purchase the property at a fair market value before the Judicial Council of California offers the property for sale. On February 16, 2016, the Board of Supervisors (Board) passed a motion supporting AB 1900, which is anticipated to be passed and signed by the Governor on June 30, 2016.

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**MOTION**

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

SOLIS \_\_\_\_\_

The Chief Executive Office (CEO) and its real estate advisors have preliminarily analyzed the San Pedro Courthouse property and determined that its highest and best use will likely be a mixed-use medium to high-rise project consisting of amenities for public gathering, as well as cultural, retail, restaurant, and residential uses with a parking structure. In anticipation of the passage of AB 1900 and to expeditiously restore this property that has already been vacant for three years to a focal point of civic activity, the CEO recommends that the redevelopment be delivered through a revenue generating project delivery method pursuant to Government Code 25549. 1 et seq., which allows the County to enter into agreements related to real property to be used jointly by the County and any private party. This approach to the redevelopment of the San Pedro Courthouse property will allow the County to select a best-value developer based on such developer's experience with similar project. There are a large number of developers in the Los Angeles area who have extensive experience financing and building these types of developments so the County will be able to select the most qualified proposer presentation the best value to the County and the San Pedro community.

**I, THEREFORE MOVE,** that the Board of Supervisors:

1. Find that the proposed actions are exempt from the California Environmental Quality Act (CEQA) because: (a) they are activities that are excluded from the definition of a project by Section 15378(b) of the CEQA Guidelines as administrative activities of government which will not result in direct or indirect changes to the environment; and (b) pursuant to Section 15262 of the CEQA

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Guidelines, they involve activities that constitute feasibility or planning studies for possible future actions that are not approved or adopted by the Board, and do not involve approval of a plan legally binding on future activities.

2. Direct the CEO to complete negotiations to purchase the State's 95.15% interest in the San Pedro Courthouse located at 505 South Centre Street, San Pedro, for an appraised value of \$5,119,070 for its prorata share plus approximately \$10,000 for title and escrow fees.
3. After Governor Brown's signing of AB 1900, authorize the CEO to execute a purchase and sale agreement with the State of California's Judicial Council of California for the purchase of the San Pedro Courthouse property.
4. Approve the attached Notice of Intention to Purchase Real Property for the 95.15% interest in the San Pedro Courthouse consisting of approximately 1.8 acres of land and 50,000 square feet of improvements for a purchase price of \$5,119,070, plus approximately \$10,000 for title and escrow fees. The purchase price and related fees are fully funded and are allocated in Capital Project No. 69776, San Pedro Courthouse Acquisition.
5. Instruct the Executive Office of the Board of Supervisors to publish the Notice of Intention in accordance with Government Code Section 6063, and set a date for a public hearing to receive comment and consummate the proposed acquisition.
6. After the public hearing and appropriate CEQA findings by the Board, if the purchase is ordered to be consummated in accordance with Government

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Code Section 25350, then authorize the CEO or her duly authorized representative to take any further actions to open and complete escrow, and accept the deed conveying title to the County of Los Angeles.

7. Approve the budget of \$640,000 for pre-development activities that will be funded and allocated in Capital Project No. 69776, San Pedro Courthouse Acquisition.
8. Direct the CEO, County Counsel, and the Department of Public Works (Public Works) to begin pre-development activities including preparing a Request for Proposal (RFP) and a Pre-Development Agreement.
9. Direct CEO and Public Works to issue RFP for the development and design of the proposed San Pedro Court redevelopment after submitting the document for Board review, fourteen days prior to release.
10. Pursuant to Government Code 25549.8, adopt a resolution, in the form attached hereto, declaring the Board's intent to consider all proposals received in response to the San Pedro Courthouse Redevelopment RFP, and set a date of September 13, 2016, for the Board to receive all such proposals submitted.
11. Direct the CEO, and Public Works to return to the Board with a recommendation for the award of a Pre-Development Agreement to the best value developer.

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## **RESOLUTION OF INTENTION TO CONSIDER PROPOSALS FOR THE REDEVELOPMENT OF SAN PEDRO COURTHOUSE SITE**

WHEREAS, the County of Los Angeles ("County") seeks to redevelop the San Pedro Courthouse property located at 505 South Centre Street in the City of San Pedro (the "Property");

WHEREAS, the Board of Supervisors of the County ("Board") is legally authorized to conduct proceedings, pursuant to Government Code § 25549.1 et seq, to adopt a resolution declaring its intention to consider all plans or proposals from private persons, firms, or corporations (each a "Proposer;" collectively "Proposers") concerning the redevelopment of the Property (the "Project") after its acquisition by the County, and to thereafter select the submitted plan or proposal which best meets the needs of the County, complete and consider necessary environmental analysis and any required findings under the California Environmental Quality Act ("CEQA") and enter into leases and/or agreements, which incorporate the plan or proposal either as submitted or as revised by the Board, with the Proposer of such plan or proposal upon such terms and conditions as the parties thereto may agree, pursuant to such leasing arrangement, to construct, or propose for construction of, a proposed Project to be jointly occupied and used by the selected Proposer and the County on such County-owned real property, and to take other related actions, all as hereinafter provided;

WHEREAS, the proposed Project would include onsite and offsite facilities, utilities, and improvements, including permanent improvements of the grounds of the Project as agreed upon by the County and the successful proposer, are appropriate for the proper operation or function of the Project to be occupied jointly by the County and the selected Proposer pursuant to Government Code § 25549.1;

WHEREAS, pursuant to Government Code § 25549.1 et seq., it is in the public's interest for the County to optimize the use of public real property and reduce public costs by having the Project's costs and any related costs shared by a private lessee pursuant to the proceedings described in this Resolution;

WHEREAS, the Board hereby declares its intention to receive and to consider all timely and responsive sealed plans or proposals submitted, to construct, or to provide for construction, on the Property of the proposed Project to be jointly occupied and used by the selected Proposer and the County, as hereinafter provided, and to take other related actions described in this Resolution.

WHEREAS, the Board has found that the public interest and welfare will be served by the solicitation of proposals for the proposed Project; and

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, as follows:

## **RESOLUTION OF INTENTION TO CONSIDER PROPOSALS FOR THE REDEVELOPMENT OF SAN PEDRO COURTHOUSE SITE**

WHEREAS, the County of Los Angeles ("County") seeks to redevelop the San Pedro Courthouse property located at 505 South Centre Street in the City of San Pedro (the "Property");

WHEREAS, the Board of Supervisors of the County ("Board") is legally authorized to conduct proceedings, pursuant to Government Code § 25549.1 et seq, to adopt a resolution declaring its intention to consider all plans or proposals from private persons, firms, or corporations (each a "Proposer;" collectively "Proposers") concerning the redevelopment of the Property (the "Project") after its acquisition by the County, and to thereafter select the submitted plan or proposal which best meets the needs of the County, complete and consider necessary environmental analysis and any required findings under the California Environmental Quality Act ("CEQA") and enter into leases and/or agreements, which incorporate the plan or proposal either as submitted or as revised by the Board, with the Proposer of such plan or proposal upon such terms and conditions as the parties thereto may agree, pursuant to such leasing arrangement, to construct, or propose for construction of, a proposed Project to be jointly occupied and used by the selected Proposer and the County on such County-owned real property, and to take other related actions, all as hereinafter provided;

WHEREAS, the proposed Project would include onsite and offsite facilities, utilities, and improvements, including permanent improvements of the grounds of the Project as agreed upon by the County and the successful proposer, are appropriate for the proper operation or function of the Project to be occupied jointly by the County and the selected Proposer pursuant to Government Code § 25549.1;

WHEREAS, pursuant to Government Code § 25549.1 et seq., it is in the public's interest for the County to optimize the use of public real property and reduce public costs by having the Project's costs and any related costs shared by a private lessee pursuant to the proceedings described in this Resolution;

WHEREAS, the Board hereby declares its intention to receive and to consider all timely and responsive sealed plans or proposals submitted, to construct, or to provide for construction, on the Property of the proposed Project to be jointly occupied and used by the selected Proposer and the County, as hereinafter provided, and to take other related actions described in this Resolution.

WHEREAS, the Board has found that the public interest and welfare will be served by the solicitation of proposals for the proposed Project; and

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, as follows:

1. The Board hereby finds and determines that all of the foregoing recitals are true and are hereby incorporated by reference herein, and that this Resolution is in compliance with all applicable laws, including further, but not limited to, Government

Code §§ 25549.7 and 25549.8, with respect to the Board's adoption of this Resolution. The County, including the Board, is authorized to take any and all actions that a county may take pursuant to Government Code § 25549.1 et seq.

2. It is the intention of the County to consider proposals for the redevelopment of San Pedro Courthouse property on real property to be acquired by the County located at 505 South Centre Street in the City of San Pedro. Based upon the County's determination that the highest and best use of the Property will likely be a mixed-use medium to high-rise project consisting of amenities for public gathering, cultural uses, as well as retail, restaurant and residential uses, proposers will be asked to analyze the market and various potential development opportunities, and to propose a project comprised of the foregoing uses.

3. On June 14, 2016, the Board authorized the release of a Request for Proposals ("RFP") for the proposed development of the Project.

4. On September 13, 2016, at 9:30 a.m., during the Board's regularly scheduled meeting, the Board will meet and receive all plans or proposals submitted for the proposed joint occupancy of the Property identified in the Resolution.

5. After considering all Proposers' submitted plans or proposals, the Board shall have the legal authority, pursuant to California Government Code § 25549.11, to select the submitted plan or proposal which best meets the needs of the County, and, subject to prior completion and consideration of necessary environmental analysis and any required findings under CEQA, to enter into leases and/or agreements, which incorporate that plan or proposal either as submitted or as revised by the Board, with the selected Proposer. As provided by Government Code § 25549.5, such leasing or other contractual arrangement, if entered into by the Board, requires the selected Proposer to construct, or provide for construction of, the proposed Project to be jointly occupied and used by the selected Proposer and the County during the term of the leases or other agreements; as provided by Government Code § 25549.6, such leases or agreements shall be upon such terms and conditions as the parties thereto may agree and may be entered into as provided in Government Code § 25549.1 et seq.

6. The Clerk to the Board is hereby directed to publish notice of the Board's adoption of this Resolution by publishing this adopted Resolution once a week for three (3) weeks in a newspaper of general circulation in Los Angeles County as provided in Government Code § 25549.9.

7. This Resolution has been adopted at a regular, open meeting of the Board. This Resolution shall take effect immediately upon its adoption by the Board.

8. The County reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or withdraw the RFP or to withdraw at any time from this process with no recourse for any proposer; (2) to choose or reject any or all proposals received in response to the RFP in its sole and subjective discretion; (3) to conduct

further due diligence with one or more proposers or any third party; (4) to modify County's objectives or the scope of the Project; (5) to issue subsequent RFPs for the same property, or variations or components thereof; (6) to disqualify any developer on the basis of any real or perceived conflict of interest that is disclosed or revealed by responses submitted or by any data available to County; (7) to proceed with that proposal modified proposal, if any, which in its judgment will, under the circumstances, best serve County's objectives; (8) to waive minor deficiencies, informalities and/or irregularities in the proposals or compliance by proposers with requirements for submission of proposals; and/or (9) to determine not to proceed with any Project, either on the basis of an evaluation of the factors listed in the RFP, including the County's full exercise of its governmental powers in its review of and/ determinations concerning any required entitlements, and the full exercise of its discretion with respect to its compliance with CEQA prior to its approval of the Project, or for another reason, or for no reason, including but not limited to the convenience of the County. Notwithstanding a recommendation of a department, agency, individual, or other, the Board retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board is the ultimate decision-making body that makes the final determination necessary to arrive at a decision to award, or not award, a lease or other agreement.



The foregoing resolution was, on the 14<sup>th</sup> day of June, 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



LORI GLASGOW  
Executive Officer-Clerk of the  
Board of Supervisors of the  
County of Los Angeles

By Carla Little  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
County Counsel

By [Signature]  
Deputy